

**IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA**

-----X		
In re:)	
)	Chapter 11
TELOGY, INC.)	
)	Case No. 05-49371
)	
Debtor.)	
-----X		

**NOTICE OF TRANSFER
PURSUANT TO FRBP RULE 3001(e)(2)**

1. TO: **National City Bank** ("Transferor")
Specialized Banking Group
One South Broad Street, 14th Floor
Philadelphia, PA 19107

2. Please take notice of the transfer of 100% of your claim \$653,202.00 principal amount, against
TELOGY, INC., above, as evidenced by the Proof of Claim No. 66 (attached in Exhibit A hereto) has been
transferred to:

DK Acquisition Partners, L.P. ("Transferee")
c/o MH Davidson & Co.
885 Third Avenue, Suite 3300
New York, New York 10022
Attention: Michael J. Leffell
Telephone: (212) 446-4090
Fax: (212) 371-4318

The Evidence of Transfer of Claim is attached as Exhibit B hereto. The Transferee's payment
and delivery instructions are attached as Exhibit C hereto.

3. No action is required if you do not object to the transfer of your claim. However, **IF YOU
OBJECT TO THE TRANSFER OF YOUR CLAIM, WITHIN 20 DAYS OF THE DATE OF
THIS NOTICE, YOU MUST:**

-- **FILE A WRITTEN OBJECTION TO THE TRANSFER** with:

NY343314.1/445-00402

United States Bankruptcy Court
Northern District of California
Attn: Clerk of Court
1300 Clay Street
Oakland, CA 94612

-- **SEND A COPY OF YOUR OBJECTION TO THE TRANSFEREE.**

-- Refer to **INTERNAL CONTROL NO.** _____ in your objection and any further correspondence related to this transfer.

4. If you file an objection, a hearing will be scheduled. **IF YOUR OBJECTION IS NOT TIMELY FILED, THE TRANSFEREE WILL BE SUBSTITUTED FOR THE TRANSFEROR ON OUR RECORDS AS A CLAIMANT IN THIS PROCEEDING.**

CLERK

FOR CLERK'S OFFICE USE ONLY:

This notice was mailed to the first named party, by first class mail, postage prepaid on _____, 2004.

INTERNAL CONTROL NO. _____

Copy: (check) Claims Agent ____ Transferee ____ Debtor's Attorney ____

Deputy Clerk

NY343314.1/445-00402

EXHIBIT A
[PROOF OF CLAIM]

NY343314.1/445-00402

UNITED STATES BANKRUPTCY COURT <u>Northern</u> DISTRICT OF <u>California</u>		PROOF OF CLAIM FILED FEB 03 2006 By <u>Omni Management Group, Claims Agent</u> For U.S. Bankruptcy Court Northern District of California Oakland Division <small>THIS SPACE IS FOR COURT USE ONLY</small>	
Name of Debtor <u>Telogy, Inc.</u>			Case Number <u>05-49371-J</u>
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.			
Name of Creditor (The person or other entity to whom the debtor owes money or property): <u>National City Bank</u>			<input type="checkbox"/> Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input type="checkbox"/> Check box if you have never received any notices from the bankruptcy court in this case. <input type="checkbox"/> Check box if the address differs from the address on the envelope sent to you by the court.
Name and address where notices should be sent: <u>National City Center</u> <u>P.O. Box 5756</u> <u>Cleveland, OH 44101-0756</u> Telephone number: <u>218-222-2000</u>		Last four digits of account or other number by which creditor identifies debtor:	
1. Basis for Claim <input type="checkbox"/> Goods sold <input type="checkbox"/> Services performed <input type="checkbox"/> Money loaned <input type="checkbox"/> Personal injury/wrongful death <input type="checkbox"/> Taxes <input checked="" type="checkbox"/> Other <u>ISDA Master Agreement</u>		<input type="checkbox"/> Retiree benefits as defined in 11 U.S.C. § 1114(a) <input type="checkbox"/> Wages, salaries, and compensation (fill out below) Last four digits of your SS #: _____ Unpaid compensation for services performed from _____ to _____ (date) (date)	
2. Date debt was incurred: <u>10-14-2003</u>		3. If court judgment, date obtained:	
4. Classification of Claim. Check the appropriate box or boxes that best describe your claim and state the amount of the claim at the time case filed. See reverse side for important explanations.			
Unsecured Nonpriority Claim \$ <input type="checkbox"/> Check this box if: a) there is no collateral or lien securing your claim, or b) your claim exceeds the value of the property securing it, or if c) none or only part of your claim is entitled to priority.		Secured Claim <input checked="" type="checkbox"/> Check this box if your claim is secured by collateral (including a right of setoff). Lien against all property of the Debtor. Brief Description of Collateral: _____ <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input checked="" type="checkbox"/> Other _____ Value of Collateral: \$ _____ Amount of arrearage and other charges at time case filed included in secured claim, if any: \$ _____	
Unsecured Priority Claim <input type="checkbox"/> Check this box if you have an unsecured claim, all or part of which is entitled to priority. Amount entitled to priority \$ _____ Specify the priority of the claim: <input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B) <input type="checkbox"/> Wages, salaries, or commissions (up to \$10,000)* earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4). <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5).		<input type="checkbox"/> Up to \$2,225* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(7). <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8). <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. § 507(a)(____). <small>*Amounts are subject to adjustment on 4/1/07 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.</small>	
5. Total Amount of Claim at Time Case Filed:		\$ <u>653,202</u> (unsecured) \$ <u>653,202</u> (secured) \$ <u>653,202</u> (priority) \$ <u>653,202</u> (Total)	
<input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.		THIS SPACE IS FOR COURT USE ONLY	
6. Credits: The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim.		THIS SPACE IS FOR COURT USE ONLY <div style="font-size: 2em; transform: rotate(-15deg); opacity: 0.5;">66mm</div>	
7. Supporting Documents: Attach copies of supporting documents, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary. See Attachment			
8. Date-Stamped Copy: To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.			
Date <u>1/31/06</u>	Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any): <u>Walter F. Weep</u> Uiana L. Bereza Assistant Vice President		

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

EXHIBIT B

[EVIDENCE OF TRANSFER OF CLAIM]

NY343314.1/445-00402

EVIDENCE OF TRANSFER OF CLAIM

TO: THE DEBTOR AND THE BANKRUPTCY COURT

For value received, the adequacy and sufficiency of which are hereby acknowledged, NATIONAL CITY BANK ("Assignor") hereby unconditionally and irrevocably sells, transfers and assigns to DK ACQUISITION PARTNERS, L.P., ("Assignee") all of its right, title, interest, claims and causes of action in and to, or arising under or in connection with, claims in the aggregate amount of \$653,202.00 identified by Proof of Claim No. 66 (the "Claim"), against Telogy, Inc. (the "Debtor"), the debtor-in-possession in Case No. 05-49371 (the "Case") under Chapter 11 of the Bankruptcy Code (11 U.S.C. § 101 et. seq.) (the "Bankruptcy Code") in the United States Bankruptcy Court for the Northern District of California (Oakland Division) (the "Bankruptcy Court").

Assignor hereby waives any objection to the transfer of the Assigned Claim to Assignee on the books and records of the Debtor and the Bankruptcy Court, and hereby waives to the fullest extent permitted by law any notice or right to a hearing as may be imposed by Rule 3001 of the Federal Rules of Bankruptcy Procedure, the Bankruptcy Code, applicable local bankruptcy rules or applicable law. Assignor acknowledges and understands, and hereby stipulates, that an order of the Bankruptcy Court may be entered without further notice to Assignor transferring to Assignee the foregoing claim and recognizing the Assignee as the sole owner and holder of the Assigned Claim. Assignor further directs the Debtor, the Bankruptcy Court and all other interested parties that all further notices relating to the Assigned Claim, and all payments or distributions of money or property in respect of claim, shall be delivered or made to the Assignee.

IN WITNESS WHEREOF, this Evidence of Transfer of Claim is executed on March 8, 2006.

ASSIGNOR

NATIONAL CITY BANK

By: _____

Name:

Title:

ASSIGNEE

DK ACQUISITION PARTNERS, L.P.

By M.H. Davidson & Co., its General Partner

By:  _____

Name:

Title:

**MICHAEL J. LEFFELL
GENERAL PARTNER**

NY340054.3/445-00402

EVIDENCE OF TRANSFER OF CLAIM

TO: THE DEBTOR AND THE BANKRUPTCY COURT

For value received, the adequacy and sufficiency of which are hereby acknowledged, NATIONAL CITY BANK ("Assignor") hereby unconditionally and irrevocably sells, transfers and assigns to DK ACQUISITION PARTNERS, L.P., ("Assignee") all of its right, title, interest, claims and causes of action in and to, or arising under or in connection with, claims in the aggregate amount of \$653,202.00 identified by Proof of Claim No. 66 (the "Claim"), against Telogy, Inc. (the "Debtor"), the debtor-in-possession in Case No. 05-49371 (the "Case") under Chapter 11 of the Bankruptcy Code (11 U.S.C. § 101 et. seq.) (the "Bankruptcy Code") in the United States Bankruptcy Court for the Northern District of California (Oakland Division) (the "Bankruptcy Court").

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IN WITNESS WHEREOF, this Evidence of Transfer of Claim is executed on March 8, 2006.

ASSIGNOR

NATIONAL CITY BANK

By: 

Name: Michael J. Labrum
Title: Senior Vice President

ASSIGNEE

DK ACQUISITION PARTNERS, L.P.

By M.H. Davidson & Co., its General Partner

By: _____

Name:
Title:

NY340054.3/445-00402

EXHIBIT C

[NOTICE AND PAYMENT INSTRUCTIONS]

Transferee

Address for Notices:

DK Acquisition Partners, L.P.
c/o MH Davidson & Co.
885 Third Avenue, Suite 3300
New York, New York 10022
Attention: Michael J. Leffell
Telephone: (212) 446-4090
Fax: (212) 371-4318

Wire Instructions:

Bank: Citibank
ABA No.: 021-0000-89
F/C: Bear Stearns
Acct. No.: 09253186
F/B/O: DK Acquisition Partners, L.P.
Acct. No.: 102-28500-26

NY343314.1/445-00402